

DEPARTMENT OF STATE REVENUE

02960363.LOF

LETTER OF FINDINGS NUMBER: 96-0363 GIT

Income Tax

For The Period: September 30, 1991, 1992 And 1993

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ISSUE(S)

I. Gross Income Tax – Addback of miscellaneous and bad debt income

Authority: IC 6-2.1-8-10; IC 6-8.1-3-3

Taxpayer protests the addback of bad debt income and interest income.

II. Gross Income Tax – Addback for the sale of fixed assets

Authority: IC 6-2.1-8-10; IC 6-8.1-3-3; 45 IAC 1-1-17

Taxpayer protests the amount added back in the value of fixed assets sold.

STATEMENT OF FACTS

Taxpayer is a Delaware corporation. The company operates approximately 480 subsidiaries and affiliates in North America and 110 operating locations outside North America.

Taxpayer is one of the largest publicly held companies engaged in providing waste services.

I. Gross Income Tax – Addback of miscellaneous and bad debt income

The auditor has determined that the taxpayer's protest of the inclusion of \$68,145 merits an adjustment due to taxpayer's misclassification of expenses.

FINDINGS

The taxpayer's protest is sustained.

II. Gross Income Tax – Addback for the sale of fixed assets

Taxpayer protests the amount of fixed assets added back for gross income tax purposes and has provided a detail sheet indicating the actual amount transferred.

The auditor has determined that the schedule provided by the taxpayer is more accurate than the estimate he utilized due to absence of information.

FINDINGS

The taxpayer's protest is sustained.

CONCLUSION

The taxpayer's protest is sustained. A supplemental audit has been prepared in accordance with the above findings.